

Imagine a world without colour

The impact of REACH on the paint,
printing ink and artists' colours industry
and some proposed solutions



Comité Européen de l'Industrie des Peintures, des Encres
d'Imprimerie et des Couleurs d'Art. Fondé en 1971

A fresco by Giotto, a copy of Elle magazine and an oilrig platform in the North Sea have one thing in common: They have been restored, printed and coated using products made by our industry



The paint, printing ink and artists' colours industry comprises a handful of large, multinational companies and thousands of highly specialised, often family-owned, small and medium-sized enterprises. Ours is a diverse, vibrant and innovative industry. We would like it to stay that way.

CEPE supports the main objectives of the European Commission's White Paper for a new Chemical Strategy published in 2001. We do not, however, believe that the new chemical regulation proposal presented by the European Commission on 29 October 2003 – known as REACH – is the appropriate way to achieve the White Paper's objectives:

- a high level of protection for human health and the environment;
- an innovative and competitive industry.

Some of our initial concerns have been addressed by the Commission, but further improvements are necessary. In its current form, REACH – which stands for "registration, evaluation and authorisation of chemicals" – remains a major threat to our industry's diversity, prosperity and innovation. It must be improved.

Our main concerns are that REACH

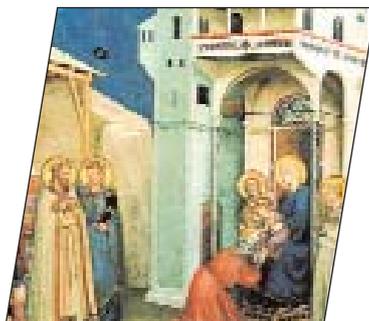
- is too costly, bureaucratic and complex;
- will lead to the disappearance of many chemicals resulting in products with inferior performance for negligible health or environmental benefit;
- does not protect our product confidentiality, know-how and intellectual property;
- will hamper European exports and lead to unfair competition from imports of coated and printed articles.

In its current form, REACH will encourage manufacturers to shift production to outside the EU, thus leading to unrecoverable losses in employment and know-how.

CEPE is firmly committed to continue working with the Commission, the European Parliament, EU member states and other interested parties to help find effective ways to protect consumers and the environment without destroying a competitive industry – an industry which is as much part of Europe's heritage as of its economic and cultural future.



Neville Petersen
President



... Many Uses, Many Benefits

Coatings and inks play an indispensable role in our modern world and cover many things we use.

Economic Importance of the Industry

Our industry is one of many colours. We manufacture products for decoration, protection, communications and leisure purposes to name but a few.

The paint, printing inks and artists' colours industry directly employs 125,000 people in the EU. It caters to the needs of 2.5 million professional painters, 770,000 printers and 200,000 workers in automotive repair shops – not to mention the millions of professional and amateur artists, do-it-yourself consumers and hobbyists.

The EU market for paints and coatings totals € 16 billion per year, while the printing inks sector totals € 4 billion and artists' colours generate € 200 million in sales. In physical volume terms, production totals 5.5 million metric tons of paints and coatings and 1 million tons of printing inks every year.

There are more than 3,000 enterprises manufacturing paint and coatings, 100 printing ink manufacturers and 40 manufacturers of artists' colours in the EU. These manufacturers vary greatly in size – from micro enterprises employing fewer than five people to large multinationals with a staff of several thousand. Many of these companies export their products to non-EU markets.



A Highly Innovative Sector

The chemicals used to produce paints, printing inks and artists' colours today are very different to those used 10 years ago and the performances of the products have increased markedly. To cover the same surface with paint, less paint is used than before. Automobiles are now sold with multi-year guarantees against corrosion, largely as a result of advances in the performance of coatings.

In addition to research into novel applications and improved product performance, manufacturers are constantly striving to introduce lower risk processes and products. Each new formulation – the result of much research and testing in the complex combination and recombination of existing chemicals provided by raw material producers – requires the skill of educated scientists and technicians. Technological developments such as water-borne paints and printing inks, ultraviolet-curing systems and powder coatings have, for example, made it possible to avoid the use of solvents in many products.

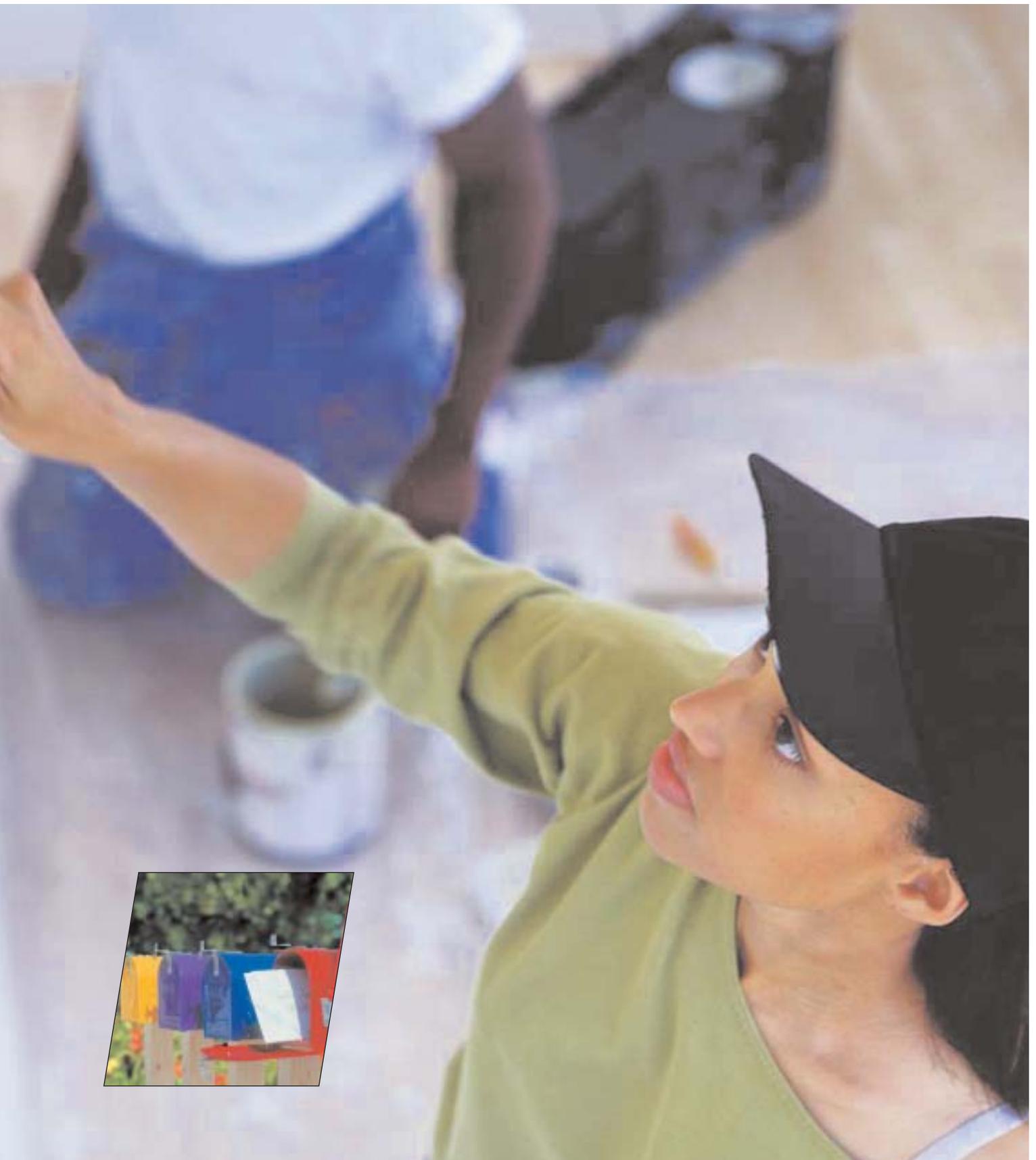
The industry's efforts have also led to the development of more advanced and environmentally friendly anti-fouling and anti-graffiti paints, ultraviolet-resistant and corrosion-protective coatings, as well as light-, moisture- and oxygen-resistant coatings in food packaging and other protective applications.



Coatings: Protection

Coatings and paints convey aesthetic pleasure, information and identification. More importantly, they protect the substrates on which they are applied, prolonging their durability, reducing the consumption of limited natural resources and contributing to a sustainable developed world. They are also used as anti-skid surfaces, and can insulate or act as an electrical conductor and reflect or absorb light.

Different types of paints are used to protect ships, offshore platforms, marine constructions, industrial equipment, buildings, cars, trucks, agricultural machines, public transport vehicles, aircraft, satellites and many others.



... Printing Inks: Information and Decoration

In books, newspapers, magazines, posters and wallpaper, printing inks play a key role in education, information and decoration. Printing inks also play a key role in the packaging industry where they fulfil many technical functions, especially in food packaging. Special inks reinforce the protective function of packaging materials by increasing resistance to heat, moisture and sunlight. New inks are constantly being developed for new packaging materials.

Care for Health, Safety and the Environment

CEPE members have long committed themselves to the principle of product stewardship, including the voluntary removal or substitution of hazardous substances whenever unacceptable human or environmental risks are identified. The CEPE exclusion list for printing inks and related products is a typical example. The worldwide Coatings Care® and Responsible Care® codes of practice help paint and printing ink manufacturers develop safer products with a reduced impact on the environment.¹

The industry takes great care to protect its workers. CEPE has contributed to the development of legislation on health and safety at work as well as to the restriction of use of certain substances. With a view to constantly increase workplace safety, CEPE members maintain close working relationships with national labour unions representing workers in printing, coating and other sectors. They invest time, money and effort in constantly progressing safety standards in their plants.

¹ For more information about Coatings Care® and Responsible Care® please visit www.cepe.org and www.cefic.org

In addition, CEPE has provided guidance and recommendations on the safe use and disposal of paint, printing ink and artists' colours. Among other things, CEPE has published guidelines and good practice guides for the usage of coatings in car repair paint shops, antifouling products in the marine environment and inks on food packaging.

Introducing CEPE

CEPE, the European Council of the Paint, Printing Ink and Artists' Colours Industry, includes National Associations in 17 countries. They represent hundreds of small and medium-sized enterprises as well as multinational companies. Founded in 1951, its members account for more than 85% of EU production in its sector. Based in Brussels, CEPE takes an active part in working groups organised by the European Commission on REACH and other EU policy and regulatory issues. This reflects the association's main function, which is to support the industry it represents as a responsible social, economic and environmental actor – through product stewardship initiatives, publication of guidelines on the safe use of its products and raw materials and regular dialogue with regulators and other stakeholders.



Artists' Colours: Expression

Artists' colours are indispensable for individual expression. They fulfil strict health and safety standards, in particular for materials used by children.



Millions of Users

There are millions of industrial, professional and leisure users of paint, printing ink and artists' colours in Europe.

To ensure that harmonised, accurate information is communicated to these users, CEPE has developed guidelines on labelling and safety as well as safety data sheets regarding the particular use of certain types of products.

Our Concerns About REACH

Although CEPE supports the overall aims of the European Commission's White Paper for a new Chemical Strategy, we have four main concerns about REACH:

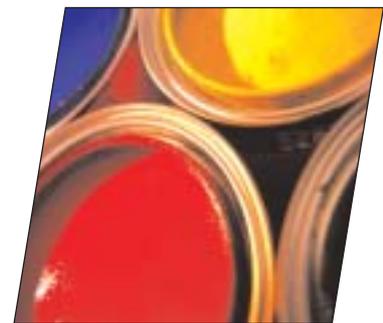
- 1 The REACH process requires a vast amount of bureaucracy and is unnecessarily complex;
- 2 Higher costs will force low-margin chemicals to disappear from the market, resulting in far less variety of formulations and inferior performance;
- 3 Unnecessary disclosure of product recipes means that product confidentiality, know-how and intellectual property will no longer be protected;
- 4 EU-based manufacturers will be less competitive in export markets and will be facing unfair competition from imports in their home market. The Lisbon objectives on competitiveness will not be met.

1- Bureaucracy, Complexity and Cost

The REACH process in its current form will translate into huge amounts of administrative bureaucracy, complexity and uncertainty – and therefore costs. These are out of proportion to any potential benefits and will undermine the fundamental objectives of the European Commission's White Paper.

REACH represents a potentially enormous burden for the paint, printing ink and artists' colours industry. This burden takes many forms:

- It remains unclear how compliance with REACH will be administered. In order to ensure consistency, science-based decisions and minimal bureaucracy, the European Chemicals Agency – as opposed to national authorities – should be solely responsible for the entire process. Regarding Authorisation, the Agency should only verify the work done by the industry and not perform a separate risk assessment.
- The additional notification required under REACH by downstream users is an unnecessary burden when the supply chain is well known and the product already authorised.
- Timing requirements are not realistic. Sufficient time should be allowed for the obligation to report and gain approval for newly identified uses of substances. This involves revising and submitting Chemical Safety Reports, Safety Data Sheets, risk assessments and control measures. The reporting system as currently envisaged will cause duplication of effort, coordination problems and therefore delays and costs.
- Customers will be deluged with regulatory data. Requirements for updating information must be pragmatic to avoid bombarding customers with each small new piece of information.
- There are no minimal concentration limit exemptions. The concentration thresholds at which substances are exempted from the safety assessment and reporting obligations should be proportionate to risk and exposure. There is no benefit to be derived in health or environmental terms from the tracking down of every last molecule when quantities present in mixtures are very low and exposure to such chemicals in paints, printing inks or artists' colours even lower.



Our Concerns about REACH

- 1- Bureaucracy, Complexity and Cost
- 2- Loss of Choice in Raw Materials

2- Loss of Choice in Raw Materials

Under REACH, there is a very real danger that cost will be the main factor determining whether a product will remain on the market, instead of human health, environmental protection or benefit to the consumer.

Thousands of different chemicals are used in the formulation of coatings and printing inks. All have an essential function in the performance of the product. Without them, products may no longer be fit for use or may lose some of their crucial properties.

Many of the specialty chemicals we use are produced in low volume. The cost of obtaining the hazard data sets envisaged in REACH will outweigh any possible economic return and supply will cease.

The loss of so many chemicals at one time would impose a crippling cost and resource burden on the coatings and printing ink industry – in particular on small and medium-sized companies who may have to bear the cost of registration themselves.

Loss of raw materials at the top of the supply chain will result in product reformulations at each step down the chain, adding to development costs. Formulated coatings and printing inks typically contain between 10 and 50 individual substances. If no adequate substitutes are found or not enough time left for substitution, production in Europe will stop or industry will be forced to manufacture products of lower quality. Customers will use non-EU suppliers who may offer fewer guarantees on safety.

Some special colours for the restoration of old paintings must contain substances no longer used in modern products in order to exactly match the original colour and texture. Current exemptions make it possible, for example, to use a restricted substance for certain artistic restorations. Under REACH this will become very difficult. The restoration of Europe's artistic treasures will move overseas, thousands of artisans will lose their work and a centuries-old heritage of artistic techniques will slowly but surely vanish.

3- Confidentiality and Intellectual Property

CEPE's second concern is that REACH will not protect the confidentiality of intellectual property such as product formulae and know-how.

The confidentiality of such intellectual property is a prerequisite to maintaining a healthy business. Disproportionate requirements to communicate the registration numbers of all the substances in preparations will result in the total disclosure of the formulation and the subsequent loss of confidentiality.

Intellectual property must be protected by effective confidentiality safeguards to maintain a healthy, level playing field and avoid unfair competition from free-riders. The loss of such information would increase the opportunities for unfair competition and manufacture of counterfeit goods. The threat to intellectual property is a major disincentive to invest in research and development to achieve greater product, health and environmental performance.

4- International Trade and Competitiveness

REACH threatens to upset the competitive balance between EU and non-EU enterprises. EU-based companies will suffer from unfair competition through imports.

CEPE is particularly concerned about the import of printed and coated articles – such as household goods, magazines, books and packaging – made from substances that are not subject to the same rules as those used in the European Union. The EU will be unable to restrict market access for fear of breaching the rules of the World Trade Organisation.

Even if REACH only addresses substances and not finished products, there is a risk that the EU will create a situation where products from within the EU get so expensive that cheaper products manufactured using coatings and printing inks which contain unregistered or unauthorised substances are imported from outside the EU. Controls on imports are unlikely to prove effective and they will represent an additional bureaucratic burden for business.

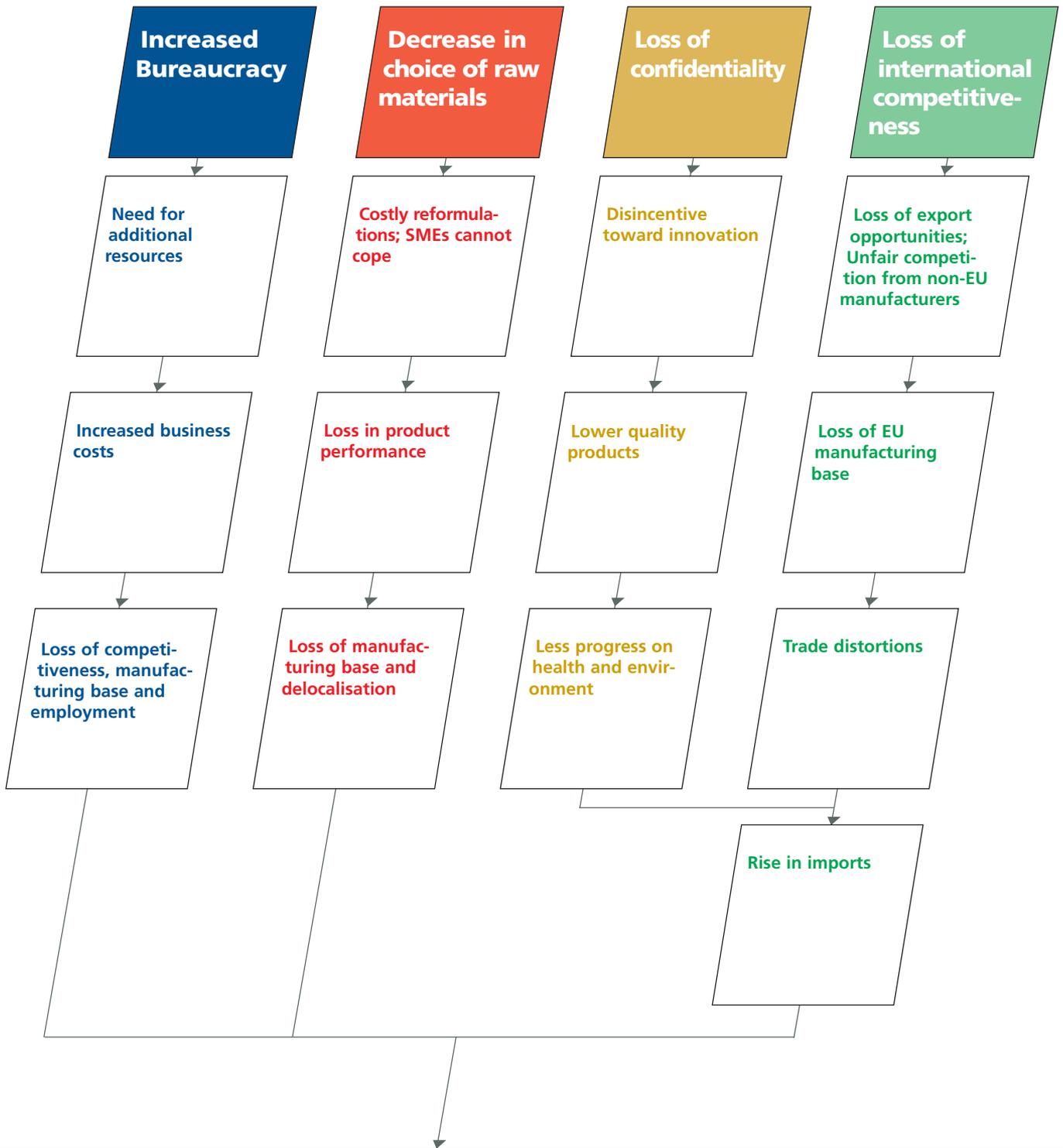
As for the paint, printing ink and artists' colours industry, like any other global industry it can only survive if it remains competitive on a worldwide basis. The REACH process will not allow the paint and printing ink industry to meet the objectives on competitiveness set in the Lisbon strategy. The administrative and reformulation burden involved will divert it from these objectives.



3- Confidentiality and Intellectual Property

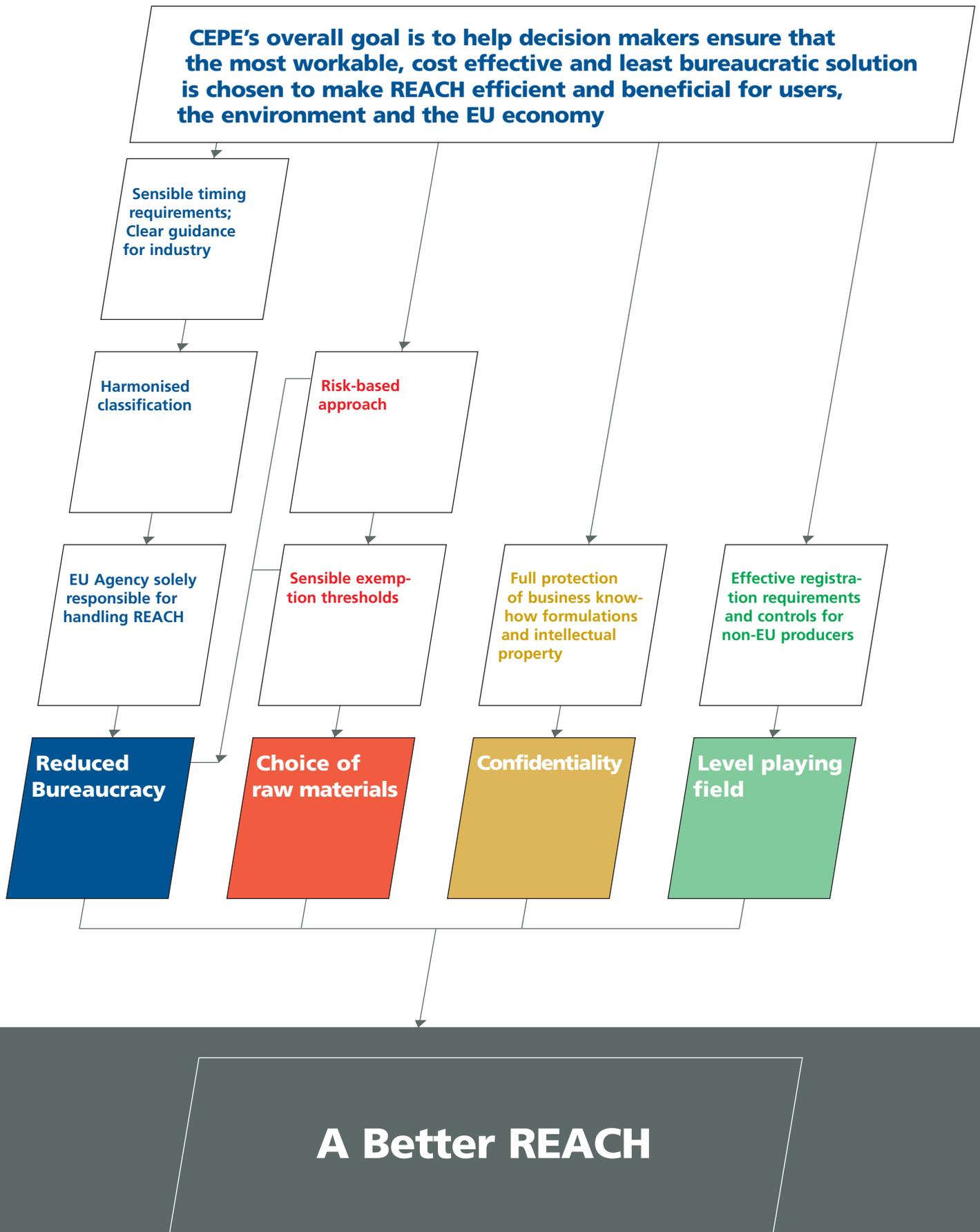
4- International Trade and Competitiveness

REACH: The Threats



**Failure to attain White Paper objectives
– a high level of protection for human health
and the environment, and an innovative and
competitive industry**

CEPE's Proposals



CEPE

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